



Press release

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BillerudKorsnäs invests for growth and efficiency in packaging paper

The BillerudKorsnäs board has today approved a SEK 1 280 million investment program to strengthen the leading position of the company in kraft papers for packaging applications. The investment will enable further growth in attractive market segments and at the same time streamline the company's production structure.

The investment program will result in the Skärblacka production unit in Sweden being developed into a world leading center for machine glazed, MG, kraft paper production. The program includes relocating the BillerudKorsnäs MG paper machine in Tervasaari, Finland, to Skärblacka and investing in surface treatment capacity on the existing paper machine 7 in Skärblacka. The Tervasaari machine is one of the largest MG paper machines in the world. In Skärblacka it will be fully integrated to pulp production which will give it a highly competitive position in the white MG paper market. The surface treatment capacity at Skärblacka PM7 will allow further functionality to be added for applications within food packaging, medical packaging and release liners.

"Packaging solutions based on renewable raw materials are parts of the solution to some of the challenges we face in society. In order to contribute to the sustainable future we believe in, we need to constantly develop ourselves and our assets. This investment gives us a production platform for continued growth and increased efficiency within our business area Packaging Paper", says Per Lindberg, President and CEO, BillerudKorsnäs.

The investments will be carried out between 2016 and early 2018 and start-ups of the relocated machine and the rebuilt PM7 are expected during Q4 2017 to Q1 2018. BillerudKorsnäs underlying investment level is approximately SEK 1 300 million per year. With the decision announced today, the total investment level is expected to increase to approximately SEK 1 420 million in 2016 and approximately SEK 1 900 million in both 2017 and 2018.

More than 40 new jobs will be created in Skärblacka as a result of the investments. In addition to this, there is significant positive employment effect among suppliers and contractors during the implementation phase.

As announced earlier, BillerudKorsnäs is also working on a feasibility study regarding the potential investment in a new board machine at the Gruvön production unit for further volume growth within business area Consumer Board. No decision has been made yet regarding this potential investment. The study is currently in an intense phase and is expected to be completed by the end of 2016.

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